



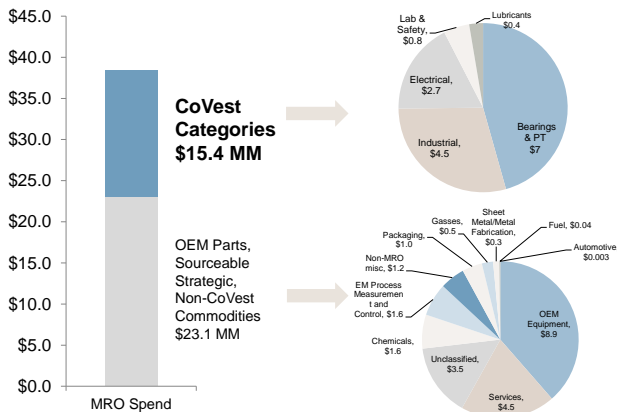
**Situation** – A new CoVest Member asked that we aid in building their first company-wide category contracts after a long series of acquisitions.

**Approach** – Working with a large data set of all indirect transactions from the past year, CoVest parsed the data into sourceable buckets and identified which supplier was best positioned to supply those items. Working with multiple internal stakeholders to pull item descriptions and information, we benchmarked the items category by category and developed relationships with suppliers through site visits and local engagement.

**Impact** – The project generated over \$2.5MM in year over year product cost savings for the member, in addition to paving the way for future product consolidation savings and providing a robust data set for future product pricing negotiations with manufacturers. As a part of the process the company reduced their indirect supplier count by hundreds of suppliers.

Engagement Profile	
Company Description	Global Manufacturer
Category	MRO Focused
Product Sub-Categories	Facilities Supplies, Bearings & PT, Industrial Supplies, Lab Supplies, Safety Supplies, Lubricants, Office Supplies
Current Supply Situation	Moving from a facility level focus to a category management approach. Many suppliers for each sub-category.
Procurement Strategy	Developing a centralized, category management function where previously the individual facilities were left to purchase on their own.
Timeline of Engagement	Within the matter of a year, we aided in moving the company in the transition from as many as hundreds of suppliers in a category toward a key supplier per category.

MRO Spend Data Breakdown



## Spend and Savings Profile

Category	Spend (\$MM)	Savings %	Savings (\$MM)
Bearings & PT	7.0	11.9%	0.83
Industrial Supplies	4.5	18.0%	0.81
Electrical Supplies	2.7	15.0%	0.41
Lubricants	0.4	20.1%	0.08
Lab & Safety	0.8	15.0%	0.11
Office Supplies	1.3	15.6%	0.20
Facilities Supplies	1.0	15.0%	0.15